



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO: Commissioners
Acting General Counsel Lerner
Staff Director Pehrkon

FROM: Office of the Commission Secretary *VJV*

DATE: June 19, 2001

SUBJECT: Statement of Reasons for MUR 5033

Attached is a copy of the Statement of Reasons for MUR 5033 signed by
Chairman Danny L. McDonald, Vice Chairman David Mason,
Commissioner Karl J. Sandstrom, Commissioner Bradley A. Smith,
Commissioner Scott E. Thomas and Commissioner Darryl R. Wold.

This was received in the Commission Secretary's Office on
June 19, 2001 at 9:53 a.m.

cc: Vincent J. Convery, Jr.
Press Office
Public Information
Public Records

Attachments

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of)
)
Allison M. Thomas)
)
Alexander Audit Fund, Inc. and)
Todd Eardensohn, as treasurer)
)
Alexander for President 1996 and)
Todd Eardensohn, as treasurer)
)
Princeton's Restaurant)

MUR 5033

STATEMENT OF REASONS

This matter arose from a filing by Allison M. Thomas on June 19, 2000, alleging that in 1995 he and other employees of Princeton's Restaurant were reimbursed for contributions made to Alexander for President 1996, Lamar Alexander's 1996 presidential primary committee. The Office of the General Counsel had recommended finding reason to believe certain persons violated the law, but taking no further action beyond sending admonishment letters. This Statement of Reasons explains the Commission's 6-0 vote on March 13, 2001, simply to take no further action as to Allison M. Thomas, Princeton's Restaurant, Alexander Audit Fund, Inc. and Todd Eardensohn, as treasurer, and Alexander for President 1996 and Todd Eardensohn, as treasurer, and close the file in MUR 5033.

The Commission determined to take no further action as to these respondents and close the file for procedural and substantive reasons. As of the date of Allison M. Thomas' filing with the Commission, more than five years had passed since the alleged violations. Accordingly, the statute of limitations at 28 U.S.C. § 2462 expired and thus, the Commission would have been precluded from securing a court-ordered civil penalty in this matter. *See FEC v. Williams*, 104 F.3d 237 (9th Cir. 1996), *cert. denied*, 522 U.S. 1015 (1997). Furthermore, the Commission would not seek disgorgement now because Alexander Audit Fund, Inc. was named as a respondent in this matter in error and Alexander for President 1996 was administratively terminated by the Commission on May 7, 1999. Even without statute of limitations problems, the age of the activity in this matter weighs heavily in its determination to take no further action.

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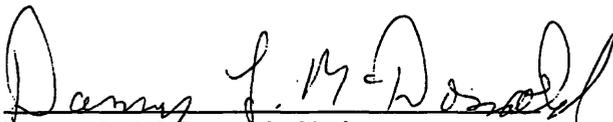
The Commission already has concluded a settlement agreement with an additional respondent, Dr. Daniel R. Hightower, President of Princeton's Restaurant.¹ That agreement includes a requirement that Princeton's Restaurant adopt and distribute a corporate policy prohibiting corporate contributions to federal elections and, thus, already effectuates remediation with regard to the corporation.

Substantively, the facts of this complaint do not justify a reason to believe finding against the recipient committee. The fact that an authorized committee receives contributions from individuals employed by the same company, for the same amount, and on the same date, without other factors, is not sufficient to find reason to believe that a violation has occurred. See MUR 4850 (Fosella). The facts alleged in this complaint do not suggest a breach by the recipient committee's treasurer of the duties required by the Federal Election Campaign Act of 1971, as amended, and Commission regulations. See 2 U.S.C. § 432(h)(1); 11 C.F.R. §§ 103.3 and 104.14.

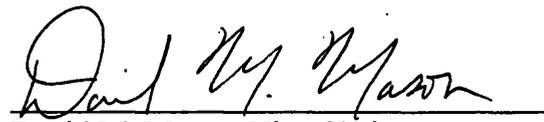
Finally, little purpose would be served by making findings with respect to the complainant who has acknowledged regret for his actions and sought redress by filing this complaint.

Based on the above, the Commission determined by a 6-0 vote to take no further action against Allison M. Thomas, Princeton's Restaurant, Alexander Audit Fund, Inc. and Todd Eardensohn, as treasurer, and Alexander for President 1996 and Todd Eardensohn, as treasurer, and closed the file in this matter.

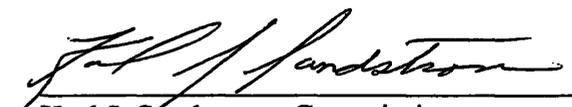
June 13, 2001



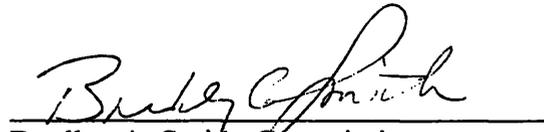
Danny L. McDonald, Chairman



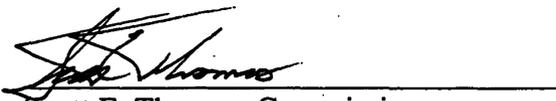
David M. Mason, Vice Chairman



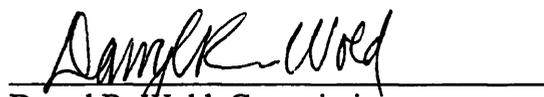
Karl J. Sandstrom, Commissioner



Bradley A. Smith, Commissioner



Scott E. Thomas, Commissioner



Darryl R. Wold, Commissioner

¹The Commission accepted the Alternative Dispute Resolution Office's recommended settlement in ADR-0010 providing for a \$1,200 civil penalty.

21-04-405-1528